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Pace & Pace

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# The PACE STUDENT

Vol. IV

New York, June, 1919

No. 7



WO fundamental things are required of every member of my staff," remarked a well-known certified public accountant, recently.

"The first requirement is, of course, technical ability—an understanding of accounting

principles, legal rules, and business methods and procedures.

"The second requirement is what I call, for lack of a better term, professional bearing. It is just as important as technical ability, because it makes technical ability available for use on the part of my clients.

"My experience has been that men and women who apply for positions on my staff are more apt to be lacking in professional bearing than in technical ability—and by 'professional bearing' I mean the effect which is produced by dignity, courtesy, promptness, proper dress, the use of good English, and the like."

The views of this accountant on professional bearing are sound. They are worth analyzing for the benefit of all students of Accountancy, and especially those who aspire to enter the practice of Accountancy either as an opportunity for training or as a permanent occupation.

The professional man, whether lawyer, physician, engineer, or accountant, usually serves his client in a confidential capacity. His advice is sought and valued. His appearance, speech, and manner, therefore, must be such as to encourage the establishment of the confidential relation at once, and to maintain and strengthen it as time goes on.

Wearing apparel that is in accepted use by professional men, subject to slight modifica-

tions, of course, on account of the age of the individual, becomes the pattern for the young practitioner to copy. Professional men, as a rule, do not affect striking colors, unusual combinations, extreme styles, especially prominent jewelry, and the like. Of course, as a matter of fact, the broker, the merchant, the manufacturer, and many others, allow themselves a considerably greater latitude in this respect than do the majority of professional men.

Within the professions there are, of course, certain distinctions that arise. Many attorneys and physicians with entire propriety wear afternoon coats. So do a few accountants, without violating any principle of good taste in clothes; but most accountants wear sack coats, similar to those worn by business men. The reason is obvious—the accountant travels a great deal, and is apt to visit factories, foundries, warehouses, and stores, as well as business offices; and the sack coat is much more practicable for his uses. The accountant's manner of dress, in fact, is merely such a dress as is

commonly used by the conservative business man—gray or dark clothes in preference to pronounced checks or stripes, quiet colors in ties, with carefully selected incidentals, such as shoes, hosiery, shirts, and jewelry.

The proper care of clothes—pressing and cleaning, for example—is very important. Excellent quality of cloth can not make up for lack of care in this respect. A suit, low in price, often looks better when well maintained than does a more expensive suit without such care. The young accountant, therefore, must look closely to the matter of the up-keep of his wardrobe.

Closely related to dress, are personal clean-

*Professional Bearing*

## LEADING ARTICLES

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liness, habits, and hygiene. It seems almost unbelievable that a young man with teeth unbrushed, with hair unduly long or improperly combed, with rusty shoes, with fingers stained and odorous from excessive cigarette smoking, with gum in his mouth, with a newspaper sticking out of his coat pocket, or with a sweater on beneath his coat, would attempt to meet clients on behalf of an accountant—yet all these things happen. A single instance of this kind may prejudice, not only the future of the young accountant concerned, but also the interest of his principal. There is only one rule, the one made famous by *Punch*—"Don't!" The young accountant should make a very careful survey of all these matters, and immediately begin to school himself in order that he may avoid giving offence to others and breaking down the confidence and respect which form the basis of all relations between professional men and their clients.

Speech, of course, is one of the most vital elements in creating a favorable impression. We have here to consider not only the technique of English itself—grammatical construction, enunciation, and word usage—but the use of judgment in respect to what should be and should not be discussed.

The ability to use correct English is highly important. If the young accountant is defective in this respect, he should lose no time in beginning such study of the subject as will remedy his deficiency; and he should take training in public speaking, not only to perfect his ability to speak well before boards of directors and assemblies of one kind and another, but also to improve his voice and manner of speech in private conversation. A study of English and public speaking may very properly be carried along together. Proficiency in English helps, too, in the preparation of professional reports and statements.

Aside from the technique of English construction and speech, the rule for the accountant should be to speak too little rather than too much. When he is in doubt about what to say, he had better confine his conversation to technical discussions with his senior accountant or with his principal, and to such small and incidental matters as may be necessary for a dignified and courteous relationship with the client.

Above all things, the accountant, young or old, should not forget his dignity to the extent of indulging in flippant repartee, or in the exchange of pleasantries which often pass under the name of "joshing." These things ill become the professional man when he is acting in his

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professional capacity, and should be completely got rid of.

The young accountant sacrifices his professional bearing when he becomes intimate or unduly familiar with the subordinates of his clients. The world is large, and it is better to establish social relations entirely outside the circle of the client's employees. The accountant must perform his work in an impartial manner, and he must have in mind at all times that the client is apt to judge his capacity in this respect very much by the personal relations which he bears to the people under review.

Accountants, when off duty, are not expected to mention the names of the clients whom they are serving. Senior accountants from different firms who meet socially do not exchange confidences in regard to their respective assignments of work. If they have a question of principle to discuss, it is nearly always stated in some hypothetical form, rather than as an actual case. These things are all done as a matter of habit—a matter of professional bearing—in order to protect the client and to sustain the confidential relationship.

So much then for a brief review and analysis of the meaning of the term "professional bearing" as applied to accountants—particularly those who are just entering the profession of Accountancy. The points made in this article reflect the view-point and the practice of reputable accountants everywhere, and, for that reason, they are points that every young accountant should bear in mind when he begins the practice of his profession.

### **Eight Weeks' Summer Term**

*July 7—August 29*

## **DAY CLASSES**

### **Semester A**

Work will be completed so that remaining semesters can be studied in the regular evening classes or by Extension

*Send for details of summer day-classes  
now forming*

### **Pace Institute**

Hudson Terminal, 30 Church Street, New York

Harry  
Osborn  
Leete



WHEN personality, ability, and training are combined in the same person, I've noticed that opportunity usually comes that person's way sooner or later." Many years ago, an elderly friend of mine—a successful business man and a penetrating observer of men and their characteristics—said to me what I have just quoted; and I thought of his sage remark in connection with Harry Osborn Leete who paid me a personal call a few days ago.

Mr. Leete is only thirty-one years old, having been born in Brooklyn, N. Y., in 1888. Despite his youth, however, he is the auditor of the Jenckes Spinning Company, The Tamarack Company, The Darlington Warehouse Company, and The Jenckes Knitting Machine Company—all of Pawtucket, Rhode Island. Recently, in addition to his auditing duties, he was made assistant secretary of the Jenckes Spinning Company and The Tamarack Company.

The two last-named companies are among the largest and best-known manufacturers of automobile-tire fabrics in the world. Last year their gross sales were over twenty million dollars. These bald figures give some idea of the executive responsibilities that rest on the shoulders of Mr. Leete as auditor and assistant secretary.

A Brooklyn boy, Mr. Leete received his academic education in the Brooklyn public schools and at The Boys' High School, in Brooklyn, where he was graduated, in 1904. Though a good student, he decided that he would go immediately into business instead of to college.

Accordingly, just as soon as he left high school, he got an office-boy job with the Brooklyn firm of Benjamin Moore & Company, manufacturers of paints and varnishes. He stayed with Moore & Company for eleven years—from 1904 till 1915—rising successively from office boy to clerk, from clerk to bookkeeper, from bookkeeper to assistant cashier, and from assistant cashier to assistant credit manager. Or, to put his advancement in another way, his earning capacity increased from five dollars a week to sixteen hundred dollars a year during the eleven years he was with Moore & Company, which is a testimonial to his ability to stick to the work at hand without being lured away, like many unstable young chaps, to other positions that promised a dollar or two more a week.

In 1914, a year before leaving

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Moore & Company, Mr. Leete enrolled in the Pace Course in Accountancy and Business Administration at the Brooklyn Institute of Accountancy. His studies showed him, he thought, that by temperament and natural mental attitude he was cut out to make good as an accountant. And so, after weighing the situation carefully, he decided to resign his position, lucrative and reasonably permanent though it was, with Moore & Company, in order to get some actual Accountancy experience.



Harry Osborn Leete

Auditor, Jenckes Spinning Company,  
The Tamarack Company, The Dar-  
lington Warehouse Company,  
and The Jenckes Knitting  
Machine Company

Though Mr. Leete was only half way through his professional course, his record as a student was so high and his personality was so agreeable—to say nothing about the business experience that he had already had—that he found little difficulty in securing a position as a junior accountant on the New York staff of Ernst & Ernst. After three months as a junior, he was advanced to the rank of senior—a rank which he maintained during the remainder of his service with Ernst & Ernst, a period of a little more than a year. During this time, Mr. Leete completed his Accountancy studies at

night, receiving his diploma from Pace & Pace in 1916.

And then, like so many forward-striving young men who eventually become financial or technical executives of ability, he found that his work as a practising accountant had come to the favorable notice of the executives and directors of big business concerns. In Mr. Leete's case, it was the Pawtucket enterprises that brought opportunity for advancement and increase in earning capacity. And so it is in Pawtucket that we find Mr. Leete to-day.

A direct, out-spoken, calmly confident young man is Mr. Leete, who, like most men of real ability, does not seek the lime-light, and who feels that the "little," to use his own words, "I have accomplished, the other fellow can also accomplish if he will pay the same price in study, and in steady, consistent work."

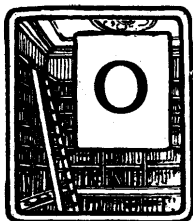
"I don't care who the man is," said Mr. Leete, "he can't get very far these days unless he buckles down and studies his particular job and its relation to business as a science. There's a kind of development that you get from technical study that you can't get in any other way; and, apparently, it's this kind of mental development that you can market, not the kind that you get from doing routine work all the while.

"And so long as you've made me talk," continued Mr. Leete, "let me say one more thing. It's mighty important for a young man to take stock of the sort of mind and disposition he was born with before he decides upon the particular kind of business objective he wants to achieve and upon the studies he should take in order to achieve that objective. So far as I am concerned, I've always liked to analyze problems, especially financial ones, build up statements and interpret them, and lay out systems, even when I felt that I knew little enough about the whys and wherefores of what I was trying to do. My problem consisted merely in qualifying myself to make good in a fairly large way at the kind of work I knew I'd enjoy doing."

The entire matter of business success could scarcely be put any more sensibly than Mr. Leete has expressed it. To all ambitious young men and women, we commend his ideas, which might possibly be reworded, as follows: first, self-analysis; second, examination of business conditions; third, consistent study and training. Following this program, you compel success.

Who's  
Who

Biograph-  
ical  
Sketches  
of Men of  
Affairs



NE of those portions of the law concerning which the lay mind has

many mistaken notions is the Statute of Limitations. Among these is the notion that this statute takes away a right. In

reality the statute does not destroy the right, but merely prevents the utilizing of the courts to enforce it.

Statute  
of  
Limitations

Probably, the easiest way in which to gain an understanding of the legal principles applying to the statute is to regard it from the standpoint of evidence. As time elapses, the memory of persons who were witnesses to a transaction naturally becomes less certain. From the earliest times, the courts have been inclined to discourage what are known as stale claims.

The close identity existing between the statute and evidence is brought out in the provisions which classify the kinds of contracts. A sealed instrument usually has a longer period of limitation—about twenty years—than an unsealed instrument or an oral contract, the period for which is, ordinarily, three to six years. Contracts not under seal are usually less carefully written, and require more oral testimony in their support than contracts under seal. If the parties reduce their agreement to a contract under seal, the agreement is usually complete in the written document, and evidence tending to amplify its provisions is discouraged by the courts. In other words, the courts construe a contract under seal more strictly in conformity with the accepted meaning of the words used, and less leniently in the light of possible evidence as to meaning intended by the parties. For these reasons, which are reasons of evidence, the period of limitation on a sealed instrument is a longer period than is the period for unsealed or oral contracts.

The rules respecting promissory notes afford another illustration. If new evidence of the debt arises by reason of a new promise to pay, ordinarily required to be in writing, or by reason of a part payment, then the debtor may be sued, until another period of limitation has passed.

A curious case involving the statute was one in which a guaranty of a debt was under seal, although the note evidencing the debt was not under seal. In the state in which the case arose, the period of limitation for unsealed instruments was six years, and for instruments under seal twenty years. Upon the due date, the debtor failed to pay, and the creditor did not sue the guarantor till ten years had elapsed.

The guarantor resisted the suit upon the grounds that his guarantee could run no longer than the period of limitation for the original

debt. His argument was that if he was compelled to pay under the contract to guarantee, he would be unable to collect from the debtor because the period of limitation had elapsed; in other words, that he would lose the benefit of his right of subrogation.

It seems that he had been notified of the failure of the debtor to pay, but had not insisted that the creditor bring suit, or had not tendered a payment to the creditor in order that he could bring suit against the debtor within the statutory limits. The court held that the fact of the original debt being barred did not prevent suit upon the contract of guarantee, because, as to that contract, the suit had been instituted within the statutory period. In the opinion, it was stated that the guarantor should have taken affirmative action to protect himself during the period prescribed for the original debt. The decision was founded upon the fact that the Statute of Limitations was purely one of procedure, that a right still existed in favor of the guarantor—he being denied access to the courts to enforce that right in the absence of a written acknowledgment by the debtor, or a part payment.

Many of the state statutes permit an administrator or executor to pay a debt of the deceased which has been barred by the statute. This is another instance illustrating the nature of the statute.

The Constitutional provision that no state shall pass any law which impairs the obligation of contracts does not prevent a state from passing a law changing the periods of limitation as to existing contracts. This is for the reason that the statute, being one of procedure, does not relate to the obligation of a contract.

The above illustrations should show clearly the nature of the Statute of Limitations, in that it does not destroy a right or impair an obligation, but merely affects the remedies appertaining to the right or obligation.

**M**ANY of the provisions of law emphasize the old saying: "Strike while the iron is hot." Certain things must be done to clinch legal rights, and it is well to do these things at the opportune time. *Clinching*

From numerous examples might be taken those relating to the necessity of having certain agreements in writing. In the discussion of the Statute of Limitations, on this page, it was brought out that most states require that a new

promise to pay a debt, barred by the Statute of Limitations, must be in writing, if the right of action is to be revived. The same is true, in

most states, respecting a promise to pay a debt which has been discharged in bankruptcy. In either of these cases, the debtor may, in an impulse of conscientiousness, promise to pay. These impulses, experience shows, are not always lasting. It is advisable to have the promise reduced to writing, and thus clinch the right to sue upon the claim.

In these days, the question of marriage dowries is not important. But if, perchance, a consideration is promised a person, based upon a promise to marry another person, then the promise should be reduced in writing to be enforced.

Provisions regarding the giving of notice, the making of demands, the tendering of consideration, and the like, all illustrate that the law favors the man who clinches the transaction as against the man who delays and vacillates.

**Yearly  
Profit  
Determination**

**O**UR laws are not altogether consistent regarding the year unit of profit determination. Most businesses determine their profits by year units of time, because the year ordinarily contains all the elements of a season or seasons. Yet the year is an artificial time-limit, and in a fluctuating business, as has been pointed out in these columns before, a given year may not be indicative of the possibilities of a business.

On this there is a curious difference between the American law and the English law. The English law adheres closely to the year unit as respects the availability of the assets of a corporation for profit distribution. If profits have been earned during the year, they may be distributed without making good a deficit from previous years, under the English decisions, because of the adherence of those decisions to the year-unit principle. On the other hand, the English income tax recognizes the fallacy of the year as a unit. The tax is not determined exclusively upon the basis of income for the current year—the average income for three years is considered in conjunction with the current year's income to determine the amount of tax.

Quite the contrary is the American attitude. Our statutes do not permit of the distribution of dividends, except out of the surplus, so that a deficit of previous years must be made good before the profits of a current year may be distributed. Our income tax, however, has been based almost exclusively upon taxing income as to single years, without any averaging.

The new 1918 Revenue Act indicates a ten-

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dency away from the year unit as a basis for taxing income. In a slight measure the amortization provision does this, in that obsolescence, in-

stead of being chargeable only in the year that the asset is discarded, may be spread over a period of time from January 1, 1918, with the deduction being allowed in years in which the higher rates of tax prevail, as well as in the later years having lower rates.

Likewise, the provision respecting a loss resulting from a shrinkage in the value of inventories, in effect, disregards the year as an absolute unit. Probably the most far-reaching is the net-loss provision, under which, as to one year, specified in the statute, a net loss from operations may be deducted from the preceding year's income and the tax for that year re-computed, or, if the loss absorbs the preceding year's income, the balance may be charged against the income of the year succeeding the year of loss.

It is probable that in the course of time the statutes regarding income taxation will recognize more fully the equity of not confining the tax exclusively to a year-unit basis. Likewise, it is possible that the English law on the subject of corporate dividends will take a like turn. The year, though a convenient period for the measure of profits, is not an absolutely correct basis, in itself, for determining the financial progress of a business.

**M**OST people imagine that the slogan, *Jobs for Soldiers* "Give the returned soldier his old job," begins and ends with the man or the organization whose employees were called to the colors. More broadly, this slogan has an application to every business man—in fact, to every man.

For if the soldiers are to get back their old positions, economic conditions must prevail which shall make it possible to employ them. In promoting these economic conditions, every one can do his part.

This is a time when business men must be brave, as these soldiers have been brave. Let them hesitate, let them lose confidence, and a period of depression will be upon us. Careful courage must be exercised. Expansion must not be stinted, and every possible step must be taken to continue the present era of prosperity.

Public opinion is an important factor. Optimism should be the attitude of every one. Undue criticism, or grave forebodings, should be avoided. No good reason exists why we can not have bigger and better business than ever before, unless that reason be that we lose faith in ourselves and in our country.





**HIS** Department does not publish answers to all of the questions received, but only to those which we deem to be of general interest to our readers. A communication, in order to receive attention, must contain the name and the address of the person asking the question.

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tion has stock outstanding at par value of \$100,000, and a surplus of \$50,000, the book value of the stock is \$150. Upon the issuance of a

stock dividend, the face value of the stock falls to equated value. Should new accounts be introduced, and what entries are made on the books of the person receiving the dividend?

So far as the corporation is concerned, you **A** are correct in your assumption that stock dividends amount to an adjustment of the value of the stock shown in the Capital Stock Account.

Assume that a corporation shows the following state of facts:

Assets .....	\$300,000	Liabilities .....	\$150,000
		Capital Stock....	100,000
		Surplus .....	50,000

The actual book value of the stock is \$150,000.

When a stock dividend is declared, the Minute Book of the corporation should properly record the action of the directors in declaring it. An entry should then be passed on the financial books, as follows:

SURPLUS .....	\$xx
To STOCK DIVIDEND PAYABLE .....	\$xx
To record declaration of stock dividend per meeting of the board of directors ...., 19...., Minute Book folio....	

When the stock is actually issued in settlement of the dividend, entry should be passed, as follows:

STOCK DIVIDEND PAYABLE .....	\$xx
To CAPITAL STOCK .....	\$xx
To record issue of stock in settlement of stock dividend.	

As to whether the dividend is income, so far as the accounts of the one receiving the dividend are concerned, the circumstances must be taken into consideration. Under decisions of the courts, stock dividends have been considered both as income and as principal. For that reason, we are unable to give an answer on this point which will cover all conditions. The entry on the books of the recipient of the dividend would be a debit to Stock of — Corporation, and a credit to an appropriate income, capital, or other account.

**W**E changed auditors at the beginning of **Q** our last fiscal year. Our former auditor included the inventory of coal, oil, grease, stationery, advertising material, etc., under the general heading of "Inventory," as part of our current assets. Our present auditor, who is a certified public accountant, has classed them as "Deferred Charges." Which is correct?

**Cash in Transit** **Q** OUR concern has a branch in a distant city. On the last day of the year, a remittance was forwarded from this branch to our home office, but had not reached us by the time business closed. How should this \$6,500 remittance be treated on our Balance Sheet? Should we consider it as cash on hand or as cash in the bank?

**A** Neither. Show the cash on deposit as one item, show the cash actually on hand as a second item, and show this remittance as a separate item under the caption "Cash in Transit."

**Q** OUR concern has valuable holdings and oil grants in Mexico. The value of these holdings has been appraised by engineers, but owing to the unsettled condition at the present time, it is doubtful whether these holdings will ever be worked by our company. How should we show them on the Balance Sheet?

**A** It is best to be conservative. If investigation shows that the probabilities are that the property can not ever be worked, it should be charged off. If it is thought that eventually the property will revert to the company as a workable asset, it should appear on the books at cost price, and not at appraised valuation, unless such appraised value is below cost, in which case take it in at appraised valuation. If the appraised valuation is higher than cost, and if it is desired to set the property up at appraised valuation, a special Surplus Created by Appraisal of Property should be created for the excess of appraised value over cost.

**Q** DOES the Law of Survivorship apply in New Jersey, as regards real property—that is, if such property is jointly owned and the title is vested in the survivor?

**A** Estates granted to two or more persons in their own right constitute tenancy in common, unless expressly declared to be a joint tenancy. The principle of survivorship does not apply in the case of tenancy in common.

**Q** IN regard to stock dividends, I understand that they are not income, but are merely an adjustment of capital—that is, when a corpora-

Question  
and  
Answer  
Depart-  
ment  
(Continued)

The term "current assets" implies cash, or those assets which are held for the purpose of direct conversion into cash within the usual commercial period. Stationery, advertising material, etc., is not usually held for such purpose. It is more in the nature of an expense chargeable against a subsequent period—in other words, it is expense paid in advance, or a charge to Profit and Loss deferred until the next accounting year. As such, it is better to include it as a deferred charge. Care should always be taken not to confuse "expense" inventory with "merchandise" inventory, which is a true current asset. It is good practice to state the merchandise as "inventory" and to speak of the other items as "supplies on hand, etc.," in connection with reports and statements.

**Q** I AM working for a concern that started in business about two years ago. At that time, they issued nine shares of stock at \$100 a share. The first of this year, the book value of this stock was \$400 a share. They want to increase their stock in order to get a little more working capital. I will appreciate it if you will advise me what steps to take in order to do this. Would you suggest declaring stock dividends of 300 per cent. before taking in any more stockholders, or would you sell a share at \$400 and then declare a stock dividend?

**A** We assume that you have not as yet issued your full authorized capital stock. No legal formalities, therefore, other than the stockholders' and directors' assent recorded in the Minute Book, are necessary. If, however, you have already issued your full authorized capital stock, it will be necessary to have the stockholders and directors authorize the increased issue, and to file a request with the proper state officer, asking for permission for the additional stock issuance.

So far as the second part of your question goes, there is no choice between the methods, as will be seen from the following:

Original condition—

Assets .....	\$3,600	Capital Stock .....	\$ 900
		Surplus .....	2,700
	<u>\$3,600</u>		<u>\$3,600</u>

Number of shares of stock, 9

Book value of each share of stock, \$400

If a stock dividend were declared, the condition would be as follows:

Assets .....	\$3,600	Capital Stock .....	\$3,600
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Number of shares of capital stock outstanding, 36

Book value of each share, \$100

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Assuming that \$3,200 additional capital were obtained by the issuance of thirty-two shares of stock at par, the condition would be as shown by the following statement:

Assets .....	\$6,800	Capital Stock:	
		Held by old	
		owners .....	\$3,600
		Held by new	
		owners .....	3,200
	<u>\$6,800</u>		<u>\$6,800</u>

Number of shares outstanding, 68

Book value of each share, \$100

The second situation would be as follows:

Original condition—

Assets .....	\$3,600	Capital Stock .....	\$ 900
		Surplus .....	2,700
	<u>\$3,600</u>		<u>\$3,600</u>

Number of shares of capital stock outstanding, 9

Book value of each share, \$400

Assuming, as in the preceding illustration, \$3,200 of capital received for stock sold at \$400 a share, the condition would be as follows:

Assets .....	\$6,800	Capital Stock:	
		Held by old	
		owners .....	\$ 900
		Held by new	
		owners .....	800
		Surplus .....	5,100
	<u>\$6,800</u>		<u>\$6,800</u>

Number of shares outstanding, 17

Book value of each share, \$400

Assuming a stock dividend were declared, distributing the entire surplus, the condition would be as follows:

Assets .....	\$6,800	Capital Stock:	
		Original	
		owners .....	\$ 900
		Plus stock	
		dividend .....	2,700
			<u>\$3,600</u>
		New	
		owners .....	\$800
		Plus stock	
		dividend .....	2,400
			<u>3,200</u>
	<u>\$6,800</u>		<u>\$6,800</u>

Number of shares outstanding, 68

Book value of each share, \$100

*My stenographer says, "Neatness is a virtue—it is not an impossibility." True, but neatness is also a stepping-stone to success. Be neat. It will help to smooth the rough spots in the road.*





OW that the Liberty-Bond campaigns are over, are their educational advantages to be lost? These campaigns may be an education in money management. To begin with, they may teach

many people the value of having a fund in reserve for emergencies. In addition, they may teach people the advantages of having regular methods of saving, encouraged by automatic incentives.

One unfortunate impression which seems to prevail among the less-informed purchasers is that if they need money they must sell the bonds. This done, the advantage of the bonds for future use to meet like emergencies is lost. These bondholders should realize that an emergency does not necessitate the selling of a bond, but that a loan may be easily obtained with the bonds as security.

Bonds should be treated as a reserve fund in the average case. Should circumstances necessitate the raising of money, then the holder may borrow the amount needed to tide over the emergency. When the emergency is past and the debt is paid, the bonds come back to the possession of the holder. In this way, the bonds may constitute a reserve fund against the numerous emergencies apt to confront many who have purchased them.

Are we to lose the benefits of an automatic impetus toward thrift, inculcated by these issues? If a man buys a bond on the instalment plan, he feels obligated to pay each of the instalments as it falls due. As a matter of fact, he is merely saving by small amounts in a regular and orderly manner. This is the most productive kind of saving. Should not our brokers enlarge their instalment plan of buying industrial bonds so that more people will be familiar with the plan and will place themselves in a position in which they will feel obligated to save?

Many building and loan associations are sound, and confer the same opportunity for saving. Regular monthly payments are required, so that each member feels that he or she must lay aside this amount each month.

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Thus it is that the lesson of the Liberty-Bond campaigns need not be lost. The bonds themselves may be a reserve fund, and the habits of systematic saving encouraged by the bonds may be continued if the same methods are invoked.

AMERICAN business men are awakening to the need of encouraging the study of foreign languages. From the commercial point of view, the world has been made over by the war. For the purposes of trade, the world is becoming an entity, a unit. It is no longer possible for any nation—even for the United States—to rely on intrasection commerce for its welfare and its prosperity. World trade is the order of the new economic day.

Study of Foreign Languages

But there is no world language yet, despite the Esperanto students. The best thing any nation can do—the only thing, in fact—is to compel its business men and women to master foreign languages—the most important ones, such as French, Spanish, and Italian, first. It is an old axiom that to do business successfully with a man you must know his view-point and speak his language. And so the Chamber of Commerce, of New York, is organizing a broad educational plan, whereby business men and women of the place will be given the opportunity to

become linguists. A scheme of close coöperation between some of the leading educational institutions and Organized Business has already been worked out, and will soon be put into operation. The benefits, commercial and cultural, of the plan need no description—they are self-evident.

ARE you a “bear” at the breakfast-table? “Grouchiness” Do you come down stairs in the morning with a well-developed grouch, seeking whom you may devour? Does your family breathe a sigh of relief when you finally seize your hat and, still scowling, rush for the train or the subway station?

Bad business, this—getting off to a poor start in the morning. The chances are your family sees but little of you, anyway. When you get back at night, you are often too tired to do more

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than eat your dinner and drop down on the couch with your evening paper. You don't even care to talk. You want to be left alone.

Your family is entitled at least to a brief view of you when you are your normal self. If you will only be normal, what better time than the morning? Set the alarm earlier; get up with a smile; banish the morning grouch. If you are a confirmed breakfast-table "bear," this may be "easier said than done"; but if you make up your mind that the grouch must go, it will, for it can't long stand against the continued onslaught of early morning cheerfulness. Your family will appreciate the change more than they will ever tell you.

In your home, it's good manners to be cheerful; in your office, it's good business. "I would give a million dollars to have Charlie Schwab's smile," said J. Ogden Armour, a short time ago. If a smile and cheerfulness at your work are worth but a small fraction of this sum, they are worth hard cultivation. Start this cultivation at home, bright and early in the morning. Get up with a cheery word and come down to your grapefruit with a smile.

Don't be a breakfast-table "bear." It's bad for you and your family, and it doesn't pay.

#### Coöperation

**T**HERE'S a difference—an abysmal one—between honestly differing with other people and impugning their motives. We do not all look at the same matter from the same view-point or angle; our differences in temperament, in education, and in training influence our reasoning processes and color our conclusions. So we must be careful not to deny the other fellow honesty of motives simply because we think his premises and his conclusions distorted and unsound. He has the privilege of feeling the same way about us.

The thing to do, of course, is to debate a proposition—whatever it is—through, from start to finish, making sure that we are in possession of all the facts. Then, we should yield and compromise to a sufficient extent to enable us to arrive at a working agreement as to procedure. Life—every phase of it—is pretty much a give-and-take matter, after all.

Differ if you must, conscientiously, but be fair and generous in your view-point—don't question your opponent's motives unless the facts so demand. There's a pretty wide difference of opinion right now—an honest difference of opinion—as to the League of Nations, as to equitable relations between labor and capital, as to proper methods of education, as to our shipping policy, as to matters of

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finance and economic expansion. The men and women who don't think as we do may be right—remember that. Anyway, there's no

reason for placing their motives under suspicion, for when we do that, we breed distrust and dissension, which are the sworn foes of coöperative trust and confidence. And coöperation we must foster if we are to live together amicably, and work together productively.

**D**ON'T grab all the credit. I know a controller who has occasion to have various kinds of reports—economic, financial, and the like—prepared by his associates during the year. These reports are often original investigations. This controller always heads a report of this kind with the name of the member of his departmental staff who has done the actual investigating, thus: "Report on So-and-so by William B. Watson." The controller then signs the report, thus: "Examined and approved by Thomas M. Black, controller."

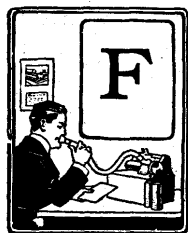
What are some of the results of this justly generous plan of giving credit where credit is due? A splendid morale in the controller's department, loyalty to the controller and loyalty to the company, accelerated output, a minimum of mistakes, and a cohesive suborganization that is never sullen or grouchy. And all this is due to the controller's far-sighted business policy of sharing credit with his subordinates. I wonder if other business executives (I know several of the other kind myself) wouldn't do well to take a leaf out of Mr. Black's book and adapt it to their own conditions.

**M**OUTH-TALK or brain-talk—which kind do you chiefly use during a business call or conference? "I can't see half as many men as I could see or as I should like to see during the day because my callers, once they get in to see me, waste my time with inconsequential talk," said a busy executive, recently. "Consequently, my secretary is under instructions to admit only such persons as she thinks I must see."

If you make a business call, know beforehand what you are going to present and how. Don't waste time in non-essentials and trivialities. Fix the objective of your talk before you call. It may be a yes-or-no decision; it may be a promise merely to consider your proposition; it may be the fixing of a specific date when you can go into the matter in detail. Whatever your objective is, work toward it as rapidly as you can; and when you have reached it, pick up your hat and say "Good-bye." This is one of the surest ways of making a favorable impression.

Give  
Credit

Mouth-talk  
vs.  
Brain-talk



FROM time to time, questions from the final examinations of the Pace Courses

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have been published in these columns. These questions have consisted, in the main, of selected, practical propositions.

This month, as a change, the paper on "Theory of Accounts," June, 1918, is published, with answers.

Special attention should be given to the answers to questions involving definitions or presentations of principles. The ability to explain clearly the intricacies of accounting problems is a prime essential in modern accounting procedure. The paper follows:

### GROUP I

1. Define: *original entry*; *bank discount*; *accrual*; *account sales*.

*Original entry*, as the term is applied to the recording of a financial transaction, indicates the entry in the bookkeeping records in which the original distinction is made of the debit and credit effects of the transaction.

*Bank discount* is simple interest, at the agreed rate of discount, on the face of the bill, calculated for the time that runs between the date of discount and the date of maturity, counting the actual days.

*An accrual* is a cumulation, either of asset value or of a liability element. An accrual is not ordinarily taken into the books except at definite periods, usually, at the time of closing the books.

*An account sales* is a statement, rendered by the consignee to a consignor, disclosing transactions incident to a consignment.

2. Distinguish between the *resource and liability* and the *profit and loss* methods of ascertaining financial progress.

The *resource and liability* method of ascertaining financial progress is based upon the taking of complete inventories of assets and liabilities, usually determined from sources other than double-entry books of account. A comparison is made of asset and liability items at the beginning and at the end of the accounting period, and the increase, or decrease, in net asset value is determined. Allowance is then made for contributions and withdrawals, and the net change, due to operations (net profit or loss) is ascertained.

The *profit and loss* method of ascertaining financial progress differs from the resource and liability method in that the causes of financial

gain or loss are recorded in the books of account, in what are known as nominal accounts, according to the principles of double-

entry bookkeeping. The balances of the nominal accounts, when adjusted, closed, and transferred to the Profit and Loss Account, display the results of trading operations for the year, together with the causes responsible for the increases and decreases in asset value.

The first of the two methods depends almost entirely upon inventories taken outside of the books, whereas the latter method presents a complete record, gathered very largely by accounting entries made throughout the accounting period.

3. Explain, with examples, how the *controlling account principle* may be used in branch accounting.

The *controlling account principle* may be used in branch accounting to articulate the records of the home office with those of the several branches. Such part of the combined records as is kept at each branch is controlled in the home-office books through the medium of a controlling account for that branch. In this account, the branch is charged with such asset value as is transferred or chargeable to the branch, and credited with such as is received from the branch, and with other items for which the branch is entitled to credit. The balance ordinarily discloses the net accountability of the branch.

The following are examples:

Purchase of fixtures for branch, assuming that they are paid for at headquarters:

BRANCH .....	\$xx
To CASH (or Liability) .....	\$xx

Transfer of merchandise from headquarters to branch:

BRANCH "A" .....	\$xx
To PURCHASES .....	\$xx
(This may be varied in the event that the merchandise is transferred at other than cost.)	

Receipt of Cash from branch:

CASH .....	\$xx
To BRANCH "A" .....	\$xx

On the branch books, the transfers are controlled through the medium of controlling accounts in the name of the home office. Examples of the above transactions on the branch's books are:

FIXTURES .....	\$xx
To HOME OFFICE .....	\$xx

Theory of Accounts (Continued)	MERCHANDISE ADVANCES .....			\$xx
	To HOME OFFICE .....			\$xx
	HOME OFFICE .....			\$xx
	To CASH .....			\$xx

At the end of the accounting period, the nominal accounts are closed out in the branch books, the net increase or decrease of asset value shown being credited or debited, respectively, to the Home Office Account. Upon the receipt of the reports from the branch, the home office raises such nominal accounts as may be desired to take care of the operating results, an increase in asset value being charged to the Branch Account, assuming such increase, and credited to the general Profit and Loss Account. Should there be a loss, the reverse entries would be made. Variations may occur in the exact procedures.

4. Explain fully the use of the *Unpaid Vouchers Account*, the items ordinarily posted therein, and what the balance of the account represents.

The *Unpaid Vouchers Account* corresponds to the Creditors' Controlling Account, and is for the purpose of controlling accounts payable.

At periodic intervals, the total of the vouchers entered in the Voucher Register is credited to this account. In the cash records, provision is made for recording payments (including discounts) on vouchers, the total being debited at periodic intervals, ordinarily a month, to the Unpaid Vouchers Account.

Other settlements of amounts due on vouchers are likewise debited to this account. For example, if a Bills Payable Register is used, the total of the bills payable issued during the month would be debited to the Unpaid Vouchers Account.

Assuming that the proper debits and credits have been made to the account, the balance would represent the liability to creditors by reason of unpaid vouchers.

5. Draft a form of *Bills Payable Register*.

Date	L. F.	To Whom Given	No.	Endorser	Where Payable	Due Date (Months if desired)	Rate	Amt.	Re- marks

Columns for "endorser" and "where payable" may be omitted if desired.

GROUP II

6. Define: *scrip dividend*; *consolidated bond*; *available surplus*; *minute book*.

A *Scrip dividend* is a dividend in which the

evidence of the obligation to the stockholders is in the form of a provisional document, convertible later into the assets to be used to pay the dividend.

A *Consolidated bond* is one secured by a mortgage or deed of trust on the combined properties of two or more corporations.

*Available surplus* is that division of surplus items which is available for profit distribution.

The *minute book*, as the term is used in corporation practice, is a chronological record of the proceedings of the meetings of stockholders and directors.

7. In what respect, if at all, is a *Consolidated Balance Sheet* defective as a statement of condition?

A *Consolidated Balance Sheet* is defective as a statement of condition in that the particular items of asset values to which the creditors of each of the corporations may look are not ordinarily ascertainable. For example, the creditors of a subsidiary corporation which has a surplus are better assured of payment, ordinarily, than would be the creditors in the case of a subsidiary which has a deficit. A creditor examining a Consolidated Balance Sheet would be unable to ascertain the financial condition of the particular unit to which he had advanced credit.

8. Give the entries in a corporation's books upon the liquidation of a bond issue by a sinking fund trustee.

SINKING FUND BONDS .....	\$xx
To SINKING FUND TRUSTEE,	
CASH ACCOUNT .....	\$xx
For liquidation of bonds in accordance with report of sinking fund trustee, dated.....	
RESERVE FOR SINKING FUND .....	\$xx
To SURPLUS .....	\$xx
For transfer.	

The above entries presuppose that the sinking fund is in one account. In case the sinking fund is in a number of accounts, and then is converted into cash, there would be a transfer to the Sinking Fund Trustee, Cash Account. There are variations contingent upon the manner in which the liquidation takes place.

9. A corporation leases the properties of another corporation, and constructs fixed improvements which will eventually become the property of the lessor corporation. Explain accounting treatment.

At the time the fixed improvements are made, they are capitalized as a debit to an asset account, and a credit to Cash, or to the liability incurred, is made. The number of years that the lease is to run is ascertained. For each year a

**Theory of Accounts** certain proportion of the improvements is charged against profits, and a like amount credited to the Improvement Account. The improvement should be entirely written down at the termination of the leasehold. Ordinarily, the same amount is charged each year, that is, one twentieth if twenty years to run, one fifteenth if fifteen years to run, etc.

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13. Give an example of a *production unit* determined by each of the following standards: (a) by weight, (b) by numbers of like things, and (c) by units.

- By weight: coal and ores—by tons.
- By numbers of like things: buttons, shoes, chairs, sometimes garments—measured by count—dozen, gross, etc.
- By units: bridges, specially constructed machines, or other distinctive production.

10. Draft ruling for Stock Transfer Journal.

<i>Left-hand Page Columns</i>	<i>Right-hand Page Columns</i>
Date	Name of New Stockholder
No. of Transfer	Address
Name of Stockholder	No. of Certificate
Broker from Whom Received	No. of Shares
No. of Certificate	
No. of Shares	

## GROUP III

11. Define: *work-in-process*; *public-service corporation*; *depletion*; *Check Register*.

*Work-in-process* consists of that part of production, usually material, labor, and overhead charges, which is not completed, but which is in some stage short of completion.

A *public-service corporation* is one which performs a public service for a private profit, and which is given certain extraordinary privileges by the governmental creating power in return for which the creating power reserves regulatory powers.

*Depletion* is a term ordinarily applied to the extraction, sale, or disposal of natural materials, such as ores or timber.

A *Check Register* is a record of checks drawn, showing the number, date, to whom drawn, and amount, and, in some instances, classifying deposits and payments according to bank accounts.

12. What items enter into the *Revenues and Operating Expenses During Construction Account* of a steam railroad?

"This account shall include the cost of operating a piece of road during the period before the regular operation of revenue trains, including rent and repairs or equipment used in commercial service during such period. It includes the cost of running construction trains over such sections of the road when the cost of operating such trains can not properly be charged to any specific account.

"To this account shall be credited amounts collected for rents of buildings and other properties, for the transportation of commercial freight or of passengers on construction trains, also the net profits from boarding and commissarial outfits, and other sources of operating revenue."

14. Give the Journal entries in the accounts of a city to cover the following transactions:

Making of contracts involving expenditures of \$25,000; receipt of invoices applicable to these contracts amounting to \$20,000; payment of these invoices by city chamberlain to the amount of \$15,000.

In the fund accounts the entries would be:

UNENCUMBERED BALANCES	
—APPROPRIATIONS .....	\$25,000
To RESERVE FOR CONTRACTS .....	
TRACTS .....	\$25,000
For amount of contracts entered into.	
RESERVE FOR CONTRACTS ....	20,000
To UNAPPLIED (Net Cash) BALANCES .....	
	20,000
For amount of vouchers drawn.	

In the asset and liability accounts the entries would be:

EXPENSES .....	\$20,000	
To INVOICES PAYABLE .....		\$20,000
For amount of invoices received.		
INVOICES PAYABLE .....	20,000	
To VOUCHERS PAYABLE ...		20,000
For amount of vouchers drawn in payment of invoices.		
(It is assumed that all of the invoices have been vouchered.)		
VOUCHERS PAYABLE .....	15,000	
To WARRANTS PAYABLE ..		15,000
For amount of warrants drawn.		
WARRANTS PAYABLE .....	15,000	
To CASH .....		15,000

15. Draft form of stock-broker's blotter.

### Columns on Left-hand Page

Of Whom Bought	Commission
No. of Shares	Interest
Description	Total Amount
Price	For Whose Account
Amount	Numbers

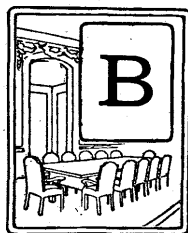
### Columns on Right-hand Page

To Whom Sold	Commission
No. Shares	Stamp
Description	Interest
Price	Total Amount
Amount	For Whose Account
	Numbers

## English Department

Horatio  
N. Drury,  
A.B.

## Cultural Reading



**B**USINESS English is, in a very definite sense, English that aims to make a favorable impression upon the mind of the hearer or reader. And by "favorable impression" is meant the arousal of a strong interest in what you are offering for sale by suggestion or direct argument. The selection and the arrangement of ideas, the choice of words and phrases, and the construction of sentences and paragraphs should be determined with this all-important purpose of creating and sustaining a favorable impression clearly in mind. All this applies to practically all kinds of business writing—letters, reports, advertisements, bulletins, pamphlets, folders, and the like.

The foregoing being granted, what methods of study should we employ in order to attain our objective—the development of the ability to use English that creates a favorable impression toward us and our wares? Two theories, each with staunch adherents, have been advanced and are in vogue.

One theory is that a person should study exclusively, or at least chiefly, what is broadly known as business writing; that he should saturate himself with the business viewpoint and the business way of expressing concepts and ideas; and that, conversely, he should not waste his time in reading and studying standard literature, except, of course, for cultural growth and esthetic pleasure. The point is very emphatically made that there is very little connection, if any, between cultural English and business English.

The other theory holds that the wider a person's cultural reading and his cultural interest, the better letter-writer or advertisement builder he will become, because his problems will consist merely in applying to his business duties the contents of a mind broadened and humanized by intimate fellowship with the great writers whose literary fame is secure.

I, for one, pin my faith to the second theory, though not without admitting the partial truth of the first theory, if not carried too far. So, I suppose that, in reality, my theory is a blend of the two. Of one thing, though, I am certain: that nobody who is an appreciative student of literature (assuming he pos-

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sesses the average stock of common sense), will make the mistake of indulging in a "highbrow" style in business writing, which apparently is what the defenders of the "business literature" theory fear.

On the contrary, the person who reads widely for the love of good reading will inevitably arrive at certain conclusions respecting how to write—conclusions that are just as applicable to business writing as to any other kind of writing. Some of these conclusions are, that the best style is the simplest style, that freshness of phrase can be and must be achieved to give distinction to what is being written, and that there must be harmony between thought and expression. You can usually tell the letters of the widely read man—there is a certain "something" about them that arrests your attention and prompts you to read them over a second time; and this is one of the results that every kind of business writing hopefully tries to accomplish.

So, read good books, forgetting the line of demarcation—which, broadly speaking, is more imaginary than real—between cultural writing and business writing. And, particularly, read essays—for instance, those of Matthew Arnold, Cardinal Newman, Ralph Waldo Emerson, James Russell Lowell, Francis Bacon, and Robert Louis Stevenson. Read appreciatively; read intensively; note words that are happily chosen and phrases that are gracefully turned; and then use these words and phrases—some of them, anyway—in sentences of your own fashioning.

Don't you think you would get a stimulation of interest in good English—yes, good business English—if you were systematically to read pieces of writing like the following, which is from Stevenson? Don't you think that in time, if you were to keep up this kind of reading, you would be able to write better letters, better folders, better advertisements than you do now? Here is the quotation I spoke of:

"The canoe was like a leaf in the current. It took it up and shook it, and carried it masterfully away, like a Centaur carrying off a nymph. To keep some command on our direction required hard and diligent plying of the paddle. The river was in such a hurry for the sea! Every

drop of water ran in a panic, like so many people in a frightened crowd. But what crowd was ever so numerous or so single-minded? All the objects of sight went by at a dance measure; the eyesight raced with the racing river; the exigencies of every moment kept the pegs screwed so tight that our being quivered like a well-tuned instrument, and the blood shook off its lethargy, and trotted through all the highways and byways of the veins and arteries, and in and out of the heart, as if circulation were but a holiday journey and not the daily moil of three score years and ten. The reeds might nod their heads in warning, and with tremulous gestures tell how the river was as cruel as it was strong and cold, and how death lurked in the eddy underneath the willows. But the reeds had to stand where they were; and those who stand still are always timid advisers. As for us, we could have shouted aloud. If this lively and beautiful river were, indeed, a thing of death's contrivance, the old ashen rogue had famously outwitted himself with us. I was living there to the minute. I was scoring points against him every stroke of my paddle, every turn of the stream. I have rarely had better profit of my life."

What is your opinion of the value in self-development of reading and studying excerpts from the world's best literature—excerpts like the above? And I mean not only cultural self-development, but that kind of self-development which bears directly upon the expectations and demands of business. After you have arrived at your own conclusion in the matter, remember that for a few cents you can pick up practically any book you seek in a second-hand bookstore—Stevenson is no exception. Anyway, there's a public library near where you live, isn't there?

JOHN M. KROLICK, Pace Institute, formerly with Leidesdorf & Company, certified public accountants, has accepted, through Pace Agency for Placements, Inc., a position with the McGraw-Hill Publishing Company, New York City.

GEORGE W. CAMPBELL, Pace Institute, formerly with C. E. Shephard & Company, has joined the accounting staff of Merrill, Lynch & Company, of New York City.

WALTER H. LINS, Pace Institute, is now with A. F. Lopez Company in an accounting capacity.

# Public Speaking and Salesmanship

by  
Harvey  
M. Kelley,  
A.M.

IF you are like most men and women, you like to feel that you are concerned with matters of human relationships, as, indeed, you are. For it is only the occasional man or woman who is not so concerned. Two classes of workers, however, deal primarily with people and their emotions—the public speaker and the salesman. Success in either activity presupposes a common requisite. It is personality.

When you study public speaking, you are concerned with the development of this very real, though indefinable, quality called “personality.” Apropos of the development of personality, Mr. Horatio N. Drury writes as follows:

“If you are physically vital, mentally well trained, emotionally sensitive and self-respecting, and if you possess and express strong personal convictions on vital subjects, the matter of the strength of personality will largely take care of itself.”

This, to my mind, cogently sets forth the whole problem of acquiring personality. The chief effort of any effective instructor in public speaking to develop personality has to be based on these principles; an understanding of which is of great value even to those who are not public speakers.

To illustrate the practicability of these principles, test the power of the most effective speaker you know. Here is a specific instance:

The New York *Tribune* recently published a series of Monday-morning articles on the well-known preachers of New York. Here are some quotations from the article on the Rev. Dr. Stephen S. Wise, one of the most eloquent preachers of this country—a man whose pulpit attracts Jews and Gentiles alike. Coming to New York to organize a free synagogue, he “gave to the effort all of his wonderfully dynamic enthusiasm.” The work was purely experimental, and required a “tremendous faith in his own powers of accomplishment.” He is personally endowed by nature with a voice of remarkable volume and most unusual carrying qualities; and he “speaks with marked intensity and with great assurance. To his auditors it never seems as if he is on debatable ground. He speaks as one having the authority of absolute certainty.” And again, “his pulpit mannerisms are few. He depends for his oratorical effects upon the volume of his voice and his keen sense of dramatic values.” Surely, here is a speaker who is physically

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vital, mentally well trained, emotionally sensitive, and with strength of conviction.

Now, what about the salesman? You are a salesman! I am a salesman. Your associates and my associates are salesmen. We are all salesmen—good, bad, or indifferent, as the case may be—in so far as we are striving to be successful in either our professional or business careers. Every attempt to create good-will for ourselves rightfully, and to impress upon others the value of our services, through high accomplishment, is salesmanship in the broadest sense. Recognizing this fundamental truth, let us profit by a consideration of the requirements and qualifications of the salesman of the business world.

The new thought in business emphasizes the importance and even the necessity of the coöperation between the sales department and all other departments. The bookkeeper who is careless and unmindful of the effect of incorrect entries endangers future business. The credit man by every letter that he writes either strengthens or weakens the good-will of his firm. The cost clerk through careful work reduces costs and lowers the prices to the trade, and consequently builds up sales. The correspondent and the stenographer have it in their power to be the entering wedge into the favor of new connections, by sending out letters that are attractive and truly representative of their firm. The problems of selling, in fact, affect everybody in the entire organization, from the humblest employee to the president of the company.

In a stricter sense, salesmanship is the particular effort of the personal salesman to effect sales. Successful selling requires such unusual qualifications that we almost believe that the “salesman is born, not made.” Modern training, however, teaches that those qualities which are not “inborn” can be acquired.

A man can acquire health by developing trained muscles, a clear mind, and a steady hand. He can develop a pleasing appearance and thus win respect for himself. Sincerity, honesty, loyalty, courtesy, and self-control can be acquired. Initiative, and all these other qualifications, are absolutely essential for successful selling. But three things are most important of all.

Study the most successful salesman of your company, and you will find that two things were born with him, and that one may have been acquired. He himself will tell you that a salesman has to start with energy and ability arising out of a natural love of the tussle of a contest, and that the salesman must always be full of fight and “pep.” And the second requirement, he will tell you, is brain-power. These are qualities born in a man. The third requirement is knowledge. The salesman must know all about the things he sells; he must know all about the house he represents, its policies, its history, and its methods; he must know all about the goods of his competitors; and he must know his customers. This knowledge stimulates the salesman's confidence in himself, in the house, and in the thing he is selling; and confidence in turn creates enthusiasm.

We can easily believe that “selling is a matter of human relationship,” and we agree that universal confidence, “pep,” and brain-power are preëminently characteristic of the successful salesman. But these qualities are none other than strong conviction, great vitality, and well-trained mentality—the preëminent characteristics of the successful speaker. The public speaker and the successful salesman, then, have joint characteristics which summed up mean—personality.

NOT so high-sounding as “Efficiency Engineer,” “Supervisor of Office Methods,” and the like, but perhaps more practical is the title of “Business Plumber.”

During the unprecedented period through which business has just passed, organizations were disrupted. To fill the gaps and hold the line, untrained office employees, at salaries out of proportion to the class of work performed, were mustered in. It was an emergency measure—a temporary makeshift to keep things moving to the front.

The armistice brought a halt. The best brains of the country are now engaged in bringing about adjustments. Inventories of organization are now being taken. Speed was the dominating factor. Speed is haste; haste makes waste; waste suggests leaks. When a leak occurs, do not our first thoughts run to a plumber? Who else plugs the leak? The leak may be at the top of the organization, as well as at the bottom, or in some central part of the organization, where a trained man

The  
Business  
Plumber



is required to locate it. Simply because a thing has been done in such a manner for years may establish a precedent, but it may be a wrong precedent. How many entry clerks or bookkeepers are doing routine work in a business in which they have grown up, without any thought as to the reason therefor, or the possibility of improving on the method of so doing?

How many stenographers, leaving positions where they have done their work more because of their knowledge of the business than because of their ability as stenographers, now find themselves unable to maintain their speed in a new business, because they were just routine workers and had strayed away from first principles? More money is lost in business from inattention to details than in any other way.

How many large organizations have special divisions for adjustments that could be dispensed with, if more attention were given to the leaks at the commencement of the transaction?

A leak is a loss. Plug the leaks and increase the profits. Who is better capable of plugging the leaks than "The Business Plumber"?—*D. J. Farnan, Pace Institute, Boston.*

**HERBERT A. THOMPSON**, Pace Institute, has resigned his position with the Vacuum Oil Company to accept a position as accountant with the Tide Water Oil Company, at 11 Broadway, New York.

**A. H. DONALDSON**, Pace Institute, has accepted, through the Pace Agency for Placements, Inc., the position of accountant with Whitteley, Wythe & Wilson, New York City.

**ALBERT J. HAAS**, Pace Institute, has accepted, through the Pace Agency for Placements, Inc., a position as accountant with the General Motors Corporation.

**RALPH H. BENSEN**, Pace Institute, has accepted, through the Pace Agency for Placements, Inc., an executive position with the Southern Pacific System.

**WILLIAM J. BRODERICK**, Pace Institute, has joined the accounting staff of the O. Konite Company, of Passaic, New Jersey.

**THOMAS T. O'NEILL**, Pace Institute, has joined the staff of Sparrow, Harvey & Company, of New York City.

## *The* **PACE STUDENT**

June, 1919

**GEORGE W. SAHLIN**, Pace Institute, New York, was recently discharged from the Navy, and is now an executive in charge of purchases and sales for Lamborn & Company, exporters and importers, New York.

**ARTHUR F. WILKINS**, Pace Institute, has accepted, through the Pace Agency for Placements, Inc., a position with the Union Towel Supply Company, of Jersey City, New Jersey.

**JOSEPH FLANNAGAN**, Pace Institute, formerly an auditor for the Knights of Columbus, has accepted, through the Pace Agency for Placements, Inc., a position with the Ward Baking Company.

**EDWIN P. AGNEW**, of Flushing, L. I., Pace Institute, has accepted, through the Pace Agency for Placements, Inc., a position as senior accountant with the Army Supply Base.

**J. M. FOX**, Pace Institute, has accepted, through the Pace Agency for Placements, Inc., a position with Frazar & Company, 30 Church Street, New York City.

**MATILDA JACOBS**, Pace Institute, has accepted, through the Pace Agency for Placements, Inc., a position with Sperry & Beale Company, of Brooklyn.

**SAMUEL F. SHARF**, Pace Institute, has been placed by the Pace Agency for Placements, Inc., with the New York Dock Company, of Brooklyn.

**CHRISTIAN H. BITTNER**, Pace Institute, has joined the staff of the Atlantic, Gulf, and West Indies S.S. Lines, in the capacity of accountant.

**PAULINE ABRAHAMSON**, Pace Institute, has accepted an accounting position with the Piget Sayre Company, of New York City.

**W. H. COOK**, Pace Institute, has accepted, through the Pace Agency for Placements, Inc., a position with the Reo Motor Company.

**WILLIAM L. CLARK**, Pace Institute, is now with Kaufman Brothers & Company, of New York, in the capacity of accountant.

**A. R. COX**, a graduate of Pace Institute, Extension Division, has recently joined the accounting staff of Feller & Dixon, accountants and auditors, Canton, Ohio. Mr. Cox was formerly an instructor in commercial subjects in the Wheeling High School, Wheeling, West Virginia.

**HENRY M. RENNER, JR.**, Pace Institute, formerly of the Jensen Creamery Manufacturing Company, has accepted, through the Pace Agency for Placements, Inc., a position with the Harvey Salem Company, of New York.

**FLORA H. WALKER**, of Pace Institute, Boston, has accepted a position with the Paine Furniture Company, as office manager. Miss Walker was formerly head bookkeeper for Champlin & Hobbs, Medford, Mass.

**HAROLD STARKMAN**, Pace Institute, has secured his release from the United States Naval Reserve, and accepted a position on the Accountancy staff of Deloitte, Plender, Griffiths & Company.

**WILLIAM A. COLLINS**, Pace Institute, New York, Semester C, recently went to San Juan, Porto Rico, to join the staff of W. T. Woodbridge & Company, accountants.

**MARGARET T. RICHARD**, Semester B student, has accepted a position with the Income Tax Division of the Internal Revenue Bureau, Washington, D. C.

**RICHARD A. RAYMOND**, formerly employed by Patterson, Teele & Dennis, accountants, has accepted a position with the firm of Morgan & Morgan, accountants.

**RICHARD B. MURTO, JR.**, Pace Institute, Washington, has been transferred to the United States Naval Base, Cavite, Philippine Islands.

**JOSEPH A. COLLINS**, a student at Pace Institute, Boston, has accepted a position as head bookkeeper for The C. & G. Company.

**ALBERT ACKERMAN**, Pace Institute, has joined the staff of N. T. Jackson Accounting Company as junior accountant.

**T. C. ANDREWS**, Pace Institute, has joined the staff of McWhorter, Boyte, Hughes & Farrell, certified public accountants.

*Per-  
sonals*

**“Helping to take the soundings of Business; helping, that is, to determine the managerial facts necessary for charting the courses of business enterprises—here is a big piece of post-war work for Accountancy-educated men and women.**

**“For Business looks to men and women of this type—business technicians—for the facts and data that will insure safety as well as progress. They must gather facts, collate them, review them, prove them, and state them, for the whole world is fact hungry, and will be for a generation to come.**

**“They must stop leaks and eliminate waste. They must increase production and stimulate sales. They must apply the principles and methods of sound finance. They must know how to provide for capital needs, including permanent and working requirements. They must determine prices on an accurate basis of costs. They must install and operate efficient accounting systems. They must safeguard property rights. They must devise systems of controlling purchases and stores. They must chart factory operations. They must systematize compensation and bonus plans. They must work out labor-saving office procedures, define the duties of employees, and coördinate effort.**

**“In short, accountants—both public and private—must help to determine, for all kinds of business enterprises, the technical procedures and the executive policies that provide a basis for safety and progress.”—Extract from “Your Post-War Opportunity,” soon to be published by Pace & Pace.**

**Spring and summer classes in Accountancy and Business Administration are now forming in Pace Institute in New York, Washington, D. C., and Boston. Special day classes will be held in Pace Institute, New York. Instruction is also available by Extension through the mails. Informative bulletin and booklets free upon request.**

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